

EXHIBIT I

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UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

CASE NUMBER: 16-cv-1054 (WMW/DTS)

Fair Isaac Corporation, a Delaware corporation,

Plaintiff,

versus

Federal Insurance Company, an Indiana corporation,
and ACE American Insurance Company, a Pennsylvania
corporation,

Defendants.

VIDEOTAPED DEPOSITION OF EXPERT WITNESS

CHRIS BAKEWELL

TAKEN: 28 June 2019

BY: Jackie McKone

<p style="text-align: right;">Page 50</p> <p>1 What I'm doing here is responding to what 2 Mr. Zoltowski is saying, and he's -- he's assuming 3 I suppose that you're going to prove up every 4 single one of your claims, and I can make that 5 same assumption too and incorporate the same 6 numbers that he does, but there's -- there's 7 evidence, as I understand it, and it wouldn't be 8 the first time I've seen this, where discovery 9 proceeded and it came to light that there are 10 certain applications that don't use Blaze Advisor, 11 or don't infringe, and in that case, they need to 12 be deducted, and there's all kind of, like, 13 combinations of -- of results. I'm indicating one 14 here in Exhibit 1 for example.</p> <p>15 It could be that CUW is found by the fact 16 finder not to be something that belongs on the 17 list, and it's easy enough to -- to make that sort 18 of adjustment. I'm indicating one set of 19 adjustments that I understand applies.</p> <p>20 Q. And who provided you with the assumption that the 21 applications with Xs by them on Page 45 do not use 22 Blaze Advisor?</p> <p>23 A. Well, not just to me. It's from deposition 24 testimony of Mr. Harkin and Mr. Pandey. It's from 25 Fed's answers. Footnotes -- I've had this all</p>	<p style="text-align: right;">Page 52</p> <p>1 some reference to Blaze Advisor in doing that sort 2 of general Internet research. Those would be the 3 places that come to mind.</p> <p>4 Q. Did you -- did you see how Blaze Advisor works 5 within Federal?</p> <p>6 A. Yes.</p> <p>7 Q. Tell me about that.</p> <p>8 A. I think there my understanding was developed more 9 from looking at flow charts. I had already 10 developed an understanding of how the product 11 worked and what the interface looked like from the 12 materials that I described to you a moment ago, 13 and so then when I spoke with, for example, Mr. 14 Pandey, he described thing to me, and then Fed 15 produced those flow charts. That all kind of fit 16 together and gave me an understanding for how the 17 systems would work at Federal.</p> <p>18 Q. Have you reviewed the rules that are within Blaze 19 Advisor at Federal?</p> <p>20 A. Some of them. I'm not a technical expert, but 21 I've seen some information that gave me an 22 understanding of that as a lay person.</p> <p>23 Q. And what materials are you referring to?</p> <p>24 A. Marketing materials, deposition testimony, and the 25 like.</p>
<p style="text-align: right;">Page 51</p> <p>1 documented in Footnotes 224 through 229.</p> <p>2 Q. So you have done no independent analyses, separate 3 from reviewing the materials in this lawsuit and 4 speaking with people at Federal, to confirm which 5 applications do or do not use Blaze Advisor?</p> <p>6 A. That question doesn't even make sense. You said I 7 didn't do any independent research except for the 8 independent research that I did? That doesn't 9 make sense.</p> <p>10 Q. Mr. Bakewell, you have not gone into the 11 applications themselves to confirm whether Blaze 12 Advisor is or isn't used in them; correct?</p> <p>13 A. Correct. I'm not a technical expert.</p> <p>14 Q. Have you ever seen a demonstration of Blaze 15 Advisor?</p> <p>16 A. Yes.</p> <p>17 Q. Tell me about that.</p> <p>18 A. I've looked at -- there's descriptions in 19 marketing materials. There's a couple of 20 marketing materials that are very detailed that I 21 think provide a demonstration of Blaze Advisor.</p> <p>22 I think at different points I went -- sort 23 of did some of my own Internet research and, like, 24 looking at YouTube videos and stuff. I can't 25 remember specifically what I saw, but I did see</p>	<p style="text-align: right;">Page 53</p> <p>1 Q. But not the rules themselves that are in Blaze 2 Advisor today?</p> <p>3 A. I may have. I can't remember if I've seen that 4 type of stuff specifically from -- from Federal, 5 or if that's the understanding that I gained is 6 from combining general rules descriptions that 7 I've seen with testimony and other documents and 8 diagrams. I don't have -- I'd have to have my 9 memory refreshed.</p> <p>10 Q. Moving to Paragraph 44.</p> <p>11 A. Okay.</p> <p>12 Q. The last sentence says, "Annual sales activity is 13 principally driven by customer renewals of 14 existing policies."</p> <p>15 A. Correct. That's one of the things I was referring 16 to earlier.</p> <p>17 Q. Do you know what percent of Federal's revenues in 18 any given year are from customer renewals of 19 existing policies?</p> <p>20 A. I've seen that, but I don't have a number 21 memorized.</p> <p>22 Q. And is this sentence true -- you know, I see that 23 it's from a general industry publication. Is that 24 true at Federal?</p> <p>25 A. Definitely.</p>

<p style="text-align: right;">Page 54</p> <p>1 Q. And how do you know that?</p> <p>2 A. Because the businesses that comprise Federal are</p> <p>3 some of the oldest and most established businesses</p> <p>4 in the country. In addition to seeing more</p> <p>5 specific information and testimony.</p> <p>6 Q. Is it your opinion in your report that Federal's</p> <p>7 existing customer relationships drive revenue?</p> <p>8 A. Yes.</p> <p>9 Q. And do you know what percent of Federal's revenue</p> <p>10 existing customer relationships drive?</p> <p>11 A. I don't think I can give you a specific number,</p> <p>12 but it's very high.</p> <p>13 Q. And what's your -- what's your support for that?</p> <p>14 A. Same things we just discussed.</p> <p>15 Q. Which are -- just so I've got it right, why don't</p> <p>16 you recap those, that support for me.</p> <p>17 A. Sure. Just broadly, we talked about how this</p> <p>18 industry works, property and casualty insurance,</p> <p>19 and the cites that you asked me about in</p> <p>20 Paragraphs 44 and I think 43. We talked about the</p> <p>21 Federal businesses and their long history. This</p> <p>22 is also explained in annual reports of Chubb, and</p> <p>23 then I referred to deposition testimony and other</p> <p>24 documents that describe how Chubb's business works</p> <p>25 fundamentally, and ACE, and Federal.</p>	<p style="text-align: right;">Page 56</p> <p>1 Q. And what is your support for that statement?</p> <p>2 A. Which statement? No or yes?</p> <p>3 Q. Your -- the support for your statement that</p> <p>4 know-how of the workforce at Federal attributes --</p> <p>5 attributes or contributes to revenue?</p> <p>6 A. It comes from gaining an understanding of the</p> <p>7 business and the industry that it operates in. It</p> <p>8 comes from financial statements and annual</p> <p>9 reports. It comes from documents prepared in the</p> <p>10 ordinary course of business as well as deposition</p> <p>11 testimony. Those would be some examples and not</p> <p>12 an exhaustive list.</p> <p>13 Q. I'm going to try to ask this generally. Maybe we</p> <p>14 can, maybe we can't.</p> <p>15 A. Let's try.</p> <p>16 Q. I have a few -- I have about ten other things on</p> <p>17 my list that I want to ask you the same questions</p> <p>18 about the percentage -- the percentage of revenue</p> <p>19 that is attributable to these different factors</p> <p>20 and then your support for that. So I'll -- I'll</p> <p>21 list them, and if we have to go through them one</p> <p>22 at a time, let me know; brand recognition, ability</p> <p>23 to maintain strong financial ratings, underwriting</p> <p>24 expertise, business infrastructure, global</p> <p>25 presence, price, product offerings, scope and type</p>
<p style="text-align: right;">Page 55</p> <p>1 Q. But you haven't seen a marketing survey or</p> <p>2 anything like that that says existing customer</p> <p>3 relationships drive 33 percent of revenues?</p> <p>4 Nothing that specific; is that correct?</p> <p>5 A. There's nothing that is -- has a number like 33</p> <p>6 percent in response to a question like you just</p> <p>7 provided that I've seen. The information that</p> <p>8 I've seen is more fundamental than that, and</p> <p>9 pervasive.</p> <p>10 Q. I also saw you mention strong management team</p> <p>11 throughout your report. Do you believe that</p> <p>12 Federal's revenues are generated by a strong</p> <p>13 management team as well?</p> <p>14 A. I do.</p> <p>15 Q. And can you identify a percent for me?</p> <p>16 A. I can't give you a percentage for that.</p> <p>17 Q. And is your support for that opinion the same</p> <p>18 types of information we just discussed?</p> <p>19 A. Yes.</p> <p>20 Q. The next is know-how of Federal's workforce. Is</p> <p>21 it your opinion that the know-how of Federal's</p> <p>22 workforce contributes to revenues at Federal?</p> <p>23 A. Absolutely.</p> <p>24 Q. And do you know a percent?</p> <p>25 A. No.</p>	<p style="text-align: right;">Page 57</p> <p>1 of distribution system, customer service quality,</p> <p>2 and use of technology.</p> <p>3 So for that -- that bucket of factors, can</p> <p>4 you tell me what percent of Federal's revenues are</p> <p>5 attributable to those different elements?</p> <p>6 A. I don't think I have a specific percentage for</p> <p>7 each of those.</p> <p>8 Q. Do you have a specific percentage for any of them?</p> <p>9 A. Not committed to memory. There might be a</p> <p>10 document somewhere that measures something like</p> <p>11 that, but I can't give you anything off the top of</p> <p>12 my head.</p> <p>13 Q. Do you believe those things, those aspects of</p> <p>14 Federal's business attribute to the revenue?</p> <p>15 A. I don't understand your question. What do you</p> <p>16 mean attribute to?</p> <p>17 Q. Is Federal's revenue -- couldn't identify a</p> <p>18 percentage, but is Federal's revenue in general</p> <p>19 attributed to all of those factors I just listed?</p> <p>20 A. I don't know what you mean by attributed to there.</p> <p>21 That sounds like an easy enough word, but that can</p> <p>22 be, like, a term of art in my field. So it's --</p> <p>23 it would be easier if you use a different word for</p> <p>24 me.</p> <p>25 Q. Why don't we try just one and see if we can work</p>

<p style="text-align: right;">Page 58</p> <p>1 through it. So brand recognition.</p> <p>2 A. Yes.</p> <p>3 Q. Do you believe that any of Federal's revenue is</p> <p>4 attributed to brand recognition?</p> <p>5 A. Attributable to? Toward it? What do you mean?</p> <p>6 Why did you say attributed to in the past tense?</p> <p>7 That's a weird -- that's weird to me.</p> <p>8 Q. I can use attributable.</p> <p>9 A. Okay.</p> <p>10 Q. Brand recognition. Are any of Federal's revenues</p> <p>11 attributable to brand recognition?</p> <p>12 A. Yes.</p> <p>13 Q. And do you know a specific percent?</p> <p>14 A. I can't tell you a specific number.</p> <p>15 Q. And what is your support for your opinion that</p> <p>16 Federal -- Federal's revenues are attributable to</p> <p>17 brand recognition?</p> <p>18 A. Well, there's two things fundamentally. First</p> <p>19 that Chubb and ACE are two very highly regarded</p> <p>20 brands, and my experience is that in a field like</p> <p>21 this that you can -- it's possible to identify a</p> <p>22 specific value that's attributable to a brand, or</p> <p>23 to brands like those, and second, Chubb just went</p> <p>24 through a re-branding effort, and I just read</p> <p>25 about it recently where Chubb's management talked</p>	<p style="text-align: right;">Page 60</p> <p>1 I've seen.</p> <p>2 Q. The next is underwriting expertise. Are Federal's</p> <p>3 revenues attributable to underwriting expertise?</p> <p>4 A. Yes.</p> <p>5 Q. Do you have a percent?</p> <p>6 A. No.</p> <p>7 Q. And what is your support for that opinion?</p> <p>8 A. It's from understanding how the business works</p> <p>9 fundamentally is -- and the different sources that</p> <p>10 I gave you for each of the other categories would</p> <p>11 probably apply to this category as well.</p> <p>12 Q. If you were tasked with trying to figure out a</p> <p>13 percentage of the revenues that were attributable</p> <p>14 to underwriting expertise, how would you go about</p> <p>15 doing that?</p> <p>16 A. At the highest level, I would use the tools that I</p> <p>17 have in my -- my toolbox as a valuation expert,</p> <p>18 and those -- in the toolbox, there's three big</p> <p>19 bins that I put the tools into.</p> <p>20 One would be what I'll call income</p> <p>21 approach, that bin. The other one would be the</p> <p>22 cost approach, and the -- the third would be the</p> <p>23 market approach, and I would think about what</p> <p>24 tools are available under each of those bins.</p> <p>25 Under the income approach, I would -- I'm</p>
<p style="text-align: right;">Page 59</p> <p>1 about the value expects to create from that brand</p> <p>2 and the refinement on the Chubb side, and the</p> <p>3 integration of the ACE business, and the reasons</p> <p>4 why it -- it did that relate to revenues, and</p> <p>5 that's described at length in documents that I've</p> <p>6 seen.</p> <p>7 Q. So the next subject is the ability to maintain</p> <p>8 strong financial ratings. Is it your opinion that</p> <p>9 Federal's revenues are attributable to the ability</p> <p>10 to maintain strong financial ratings?</p> <p>11 A. Yes.</p> <p>12 Q. Do you have a percentage?</p> <p>13 A. No. I can't give you a percentage. Not right --</p> <p>14 sitting right here. If I was tasked with doing</p> <p>15 that, I might be able to.</p> <p>16 Q. And what is your support for that opinion, that</p> <p>17 Federal's revenues are attributable to the ability</p> <p>18 to maintain strong financial ratings?</p> <p>19 A. Well, it's how the business works, and I think</p> <p>20 that there's some examples from my experience</p> <p>21 where if you're an insured you can be required to</p> <p>22 obtain insurance from a company that has a certain</p> <p>23 rating. That wouldn't be unusual for me to see in</p> <p>24 a contract, and that's consistent with how Federal</p> <p>25 describes its business in a variety of places that</p>	<p style="text-align: right;">Page 61</p> <p>1 inclined to say that's probably going to be the</p> <p>2 best fit here, and surveys would be -- would be</p> <p>3 one way to do it. I think I could do some</p> <p>4 comparisons using statistics between companies</p> <p>5 that have different ratings and see if there's a</p> <p>6 correlation between ratings changes and revenues.</p> <p>7 That's just off the top of my head how I</p> <p>8 would go about doing -- solving that problem.</p> <p>9 Q. Business infrastructure. Is it your opinion that</p> <p>10 Federal's business structure -- strike that. Let</p> <p>11 me ask it again. Are Federal's revenues</p> <p>12 attributable to its business structure?</p> <p>13 A. You said business infrastructure, and then you</p> <p>14 said business structure. Which one do you mean?</p> <p>15 Q. I mean infrastructure. I get so flummoxed trying</p> <p>16 to say attributable that I can't say it. Go</p> <p>17 ahead.</p> <p>18 A. I don't understand your question. I don't think</p> <p>19 that was a question.</p> <p>20 Q. Are Federal's revenues attributable to business</p> <p>21 infrastructure?</p> <p>22 A. Maybe.</p> <p>23 Q. Are Federal's revenues attributable to its global</p> <p>24 presence?</p> <p>25 A. Yes.</p>

<p style="text-align: right;">Page 62</p> <p>1 Q. And can you identify the percent of Federal's 2 revenues that are attributable to its global 3 presence? 4 A. I can't give you a specific number as I sit here 5 right now. 6 Q. If you were asked to try to come up with a 7 specific number, how would you go about doing 8 that? 9 A. I'd get my toolbox out that I just described for 10 you, has three big compartments in it, and then 11 think about what specific tools within each 12 compartment or which compartment I would try to 13 use and. 14 Q. And what is your support for your opinion that 15 Federal's revenues are attributable to its global 16 presence? 17 A. Because there are businesses that operate globally 18 and they require global insurance companies, 19 global coverage, and I think that if somehow 20 Federal artificially -- this is very artificial by 21 the way in the case of Federal and its companies, 22 was only able to operate in one geography, then 23 there would be -- I'd have to do some thinking 24 about what the impact is of that, and my 25 experience is that having worked for a global</p>	<p style="text-align: right;">Page 64</p> <p>1 elasticity and demand is, like, one of the 2 fundamental considerations as a -- as a 3 financial/economic expert that I -- I'm interested 4 in understanding anytime I assess a business and 5 measuring when it's appropriate. 6 Q. Thinking about the insurance industry 7 specifically, is there anything -- anything else 8 that -- beyond the fact that you need products to 9 sell to make money? Is there any other support 10 for your opinion that Federal's product offerings 11 the revenues are attributable to Federal's product 12 offerings? 13 A. Sure. 14 Q. And what's that? 15 A. Well, another thing that comes to mind is I can 16 draw on my own experience when I was in industry 17 one of the things I was responsible for was 18 managing and procuring property casualty -- 19 property and casualty insurance, and I -- I can 20 remember that figuring out the different vendors 21 and their relationships with brokers and how 22 things were underwritten was an important part of 23 that decision-making process, and I actually -- I 24 can remember taking -- I actually took a week once 25 to take a deep dive and learn all about that</p>
<p style="text-align: right;">Page 63</p> <p>1 company and observed the globalization trends, 2 particularly as they affect the United States, 3 that's a consideration in the real world. 4 Q. And price and product offerings; do you have an 5 opinion as to whether Federal's revenues are 6 attributable to prices and product offerings? 7 A. Yes. 8 Q. And can you identify a percentage of Federal's 9 revenues that are attributable to price and 10 product offerings? 11 A. Not that broadly as I sit here right now. 12 Q. If you were tasked with figuring out a percentage, 13 how would you go about doing that? 14 A. I would get out the toolbox and think about the 15 tools in each compartment that I would use. 16 Q. And what is your support for your opinion that 17 Federal's revenues are attributable to its product 18 offerings and their prices? 19 A. Well, let's address each one. The first one, 20 product offerings, your -- it's such a circular -- 21 what's the word? It's self-referencing or 22 tautology. If you -- you need product offerings 23 to generate revenues. So that's the first one, 24 and then the second one, pricing, that's an issue 25 that I'm always interested in studying. Price</p>	<p style="text-align: right;">Page 65</p> <p>1 stuff. I went to the Lloyd's Market in London, 2 and toured that, and interviewed people, and tried 3 to learn as much as I could because it was an 4 important part of our business. So I have a very 5 good understanding I think of how that -- how that 6 works. 7 The product offerings and mix, and having a 8 different sources for different products can be 9 important. Sometimes it would make sense to have 10 multiple services and products purchased from one 11 underwriter and broker, and sometimes it would 12 make sense to -- to split that stuff up. That's 13 important. 14 Q. So you mentioned a trip to Lloyd's in London; is 15 that right? 16 A. Sure. Yeah. I did. I mentioned that. 17 Q. For what purpose? 18 A. I was trying to give some color to my answer and 19 what I was remembering about how I learned that 20 products -- different products are important. 21 Q. And -- and what was the purpose of this trip? 22 A. To learn how -- I mean, that's a market that's 23 been around for literally centuries, and to learn 24 how the industry has developed over the years. 25 Q. And was there a particular -- was there a</p>